

ADMINISTRATIVE -- INTERNAL USE ONLY

6 OCT 1972

MEMORANDUM FOR: Legislative Counsel

THROUGH

: Deputy Director for Support

PCW

10 OCT 1972

SUBJECT

: Legislative Program of the CIA for the
1st Session of the 93rd Congress

REFERENCE

: Memorandum For The Record,
same subject, dated 5 October 1972

STAT

1. This memorandum responds to request for review of the Agency's proposed legislative program for amendments to the CIA Retirement and Disability System.

STAT

2. Except as discussed below, we concur in the proposed legislative program. We suggest that paragraph 93-3, CIA Retirement Act - Retirement Ceiling, indicate that we estimate the quota will be exhausted 10 to 12 months before it expires of its own accord. We suggest further that paragraph (c) of 93-3 include the thought that some factors which led to an increase in the number of voluntary retirements were not foreseeable at the time we sought an increase in quota from 400 to 800. Specifically, there was no way that we could have anticipated four cost-of-living adjustments in the first three years of the current quota period.

3. I have reviewed the Deputy General Counsel's specific proposal for amendments to CIARDS calling for a loss of annuity benefits when a CIARDS participant has violated his secrecy agreement. I recommend that it not be included in the legislative program at this time, for the following reasons:

a. We are attempting to obtain significant amendments to CIARDS: benefits comparable to those already available under the Civil Service Retirement System; improved funding; and most importantly, relief on quota. The quota proposal itself is crucial because unless some relief is obtained, eligible Agency employees and those who must be mandatorily separated will not be able to retire until 1 July 1974. Consequently, it is my view that no amendments to the CIA Retirement Act should be sought in the 93rd Congress which might serve as a deterrent to our obtaining quota relief and the other benefits.

ADMINISTRATIVE -- INTERNAL USE ONLY

The proposal to terminate annuity entitlement would undoubtedly be controversial, and, unlike our other proposals, would probably arouse serious differences of opinion among those senators and representatives who will be asked initially to review our legislative proposals. I think it is unwise to run that risk at a time when other important legislation is being sought.

b. There is also some question in my mind as to whether enactment of such a proposal would serve any real purpose. The Bureau of Retirement and Insurance, which administers the Civil Service Retirement System, advises that since 1961 when the so-called Hiss Act became effective there have been only six cases involving termination of annuities for reasons covered by that act. We are advised that the courts have overturned BRI's action in those six cases and all of the individuals concerned are now receiving annuities. Further, the Director, BRI has informally suggested that we not attempt to amend CIARDS to include a similar provision because he believes the Hiss Act will eventually be declared unconstitutional in view of the court decisions.

4. We recommend, therefore, that Section 93-4 of the proposed legislative program not be included at this time.

5. The statistical data requested by the Executive Director to support our request for increased quota will be submitted as soon as possible.



Harry B. Fisher
Director of Personnel

STAT